Memorandum on Timber Salvage Legislation
August 1, 1995

Memorandum for the Secretary of the Interior; the Secretary of Agriculture; the Secretary of Commerce; the Administrator, Environmental Protection Agency

Subject: Implementing Timber-Related Provisions to Public Law 104–19

On July 27th, I signed the rescission bill (Public Law 104–19), which provides much-needed supplemental funds for disaster relief and other programs. It also makes necessary cuts in spending, important to the overall balanced budget plan, while protecting key investments in education and training, the environment, and other priorities.

While I am pleased that we were able to work with the Congress to produce this piece of legislation, I do not support every provision, most particularly the provision concerning timber salvage. In fact, I am concerned that the timber salvage provisions may even lead to litigation that could slow down our forest management program. Nonetheless, changes made prior to enactment of Public Law 104–19 preserve our ability to implement the current forest plans' standards and guidelines, and provides sufficient discretion for the Administration to protect other resources such as clean water and fisheries.

With these changes, I intend to carry out the objectives of the relevant timber-related activities authorized by Public Law 104–19. I am also firmly committed to doing so in ways that, to the maximum extent allowed, follow our current environmental laws and programs. Public Law 104–19 gives us the discretion to apply current environmental standards to the timber salvage program, and we will do so. With this in mind, I am directing each of you, and the heads of other appropriate agencies, to move forward expeditiously to implement these timber-related provisions in an environmentally sound manner, in accordance with my Pacific Northwest Forest Plan, other existing forest and land management policies and plans, and existing environmental laws, except those procedural actions expressly prohibited by Public Law 104–19.

I am optimistic that our actions will be effective, in large part, due to the progress the agencies have already made to accelerate dramatically the process for complying with our existing legal responsibilities to protect the environment. To ensure this effective coordination, I am directing that you enter into a Memorandum of Agreement by August 7, 1995, to make explicit the new streamlining procedures, coordination, and consultation actions that I have previously directed you to develop and that you have implemented under existing environmental laws. I expect that you will continue to adhere to these procedures and actions as we fulfill the objectives of Public Law 104–19.

WILLIAM J. CLINTON

Message to the Congress Reporting on the National Emergency With Respect to Iraq
August 1, 1995

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of February 8, 1995, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

Executive Order No. 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a U.S. person. That order also prohibited the importation into the United States of goods and services of Iraqi origin as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. United States persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive Order No. 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution 661 of August 6, 1990.

Executive Order No. 12817 was issued on October 21, 1992, to implement in the United States measures adopted in United Nations Security Council Resolution 778 of October 2, 1992. Resolution 778 requires U.N. Member States to transfer to a U.N. escrow account any funds (up to $200 million apiece) representing Iraqi-oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq, to finance Iraq's obligations for U.N. activities with respect to Iraq, such as expenses to verify Iraqi weapons destruction, and to provide humanitarian assistance in Iraq on a nonpartisan basis. A portion of the escrowed funds also funds the activities of the U.N. Compensation Commission in Geneva, which handles claims from victims of the Iraqi invasion and occupation of Kuwait. Member States also may make voluntary contributions to the account. The funds placed in the escrow account are to be returned, with interest, to the Member States that transferred them to the United Nations, as funds are received from future sales of Iraqi oil authorized by the U.N. Security Council. No Member State is required to fund more than half of the total transfers or contributions to the escrow account.

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 and matters relating to Executive Orders No. 12724 and 12817 (the "Executive orders"). The report covers events from February 2, 1995, through August 1, 1995.

1. During the reporting period, there were no amendments to the Iraqi Sanctions Regulations.

2. The Department of the Treasury's office of Foreign Assets Control ("FAC") continues its involvement in lawsuits seeking to prevent the unauthorized transfer of blocked Iraqi assets. In *Consarc Corporation v. Iraqi-ministry of Industry and Minerals,* a briefing schedule has been set for disposition of FAC's December 16, 1994, appeal of the district court's order of October 17, 1994, transferring blocked property.

Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. There are currently 43 enforcement actions pending, including nine cases referred by FAC to the U.S. Customs Service for joint investigation. Additional FAC civil penalty notices were prepared during the reporting period for violations of the International Emergency Economic Powers Act and Iraqi sanction Regulations with respect to transactions involving Iraq. Three penalties totaling $8,905 were collected from two banks for funds transfers in violation of the prohibitions against transactions involving Iraq.

3. Investigation also continues into the roles played by various individuals and firms outside Iraq in the Iraqi government procurement network. These investigations may lead to additions to FAC's listing of individuals and organizations determined to be Specially Designated Nationals ("SDNs") of the Government of Iraq.

4. Pursuant to Executive Order No. 12817 implementing United Nations Security Council Resolution 778, on October 26, 1992, FAC directed the Federal Reserve Bank of New York to establish a blocked account for receipt for certain post-August 6, 1990, Iraqi-oil sales proceeds, and to hold, invest, and transfer these funds as required by the Order. On March 21, 1995, following payments by the Governments of Canada ($1,780,749.14), the European Community ($399,695.21), Kuwait ($2,500,000.00), Norway ($261,758.10), and Switzerland ($40,000.00), respectively, to the special United Nations-controlled account, entitled "United Nations Security Council Resolution 778 Escrow Account," the Federal Reserve Bank of New York was directed to transfer a corresponding amount of $4,982,202.45 from the blocked account it holds to the United Nations-controlled account. Similarly, on April 5, 1995, following the payment of $5,846,238.99 by the European Community, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of $5,846,238.99 to the United Nations-

controlled account. Again, on May 23, 1995, following the payment of $3,337,941.75 by the European Community, $571,428.00 by the Government of the Netherlands and $1,200,519.05 by the Government of the United Kingdom, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of $5,109,888.80 to the United Nations-controlled account. Finally, on June 19, 1995, following the payment of $915,584.96 by the European Community and $736,923.12 by the Government of the United Kingdom, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of $1,652,508.08 to the United Nations-controlled account. Cumulative transfers from the blocked Federal Reserve Bank of New York account since issuance of Executive Order No. 12817 have amounted to $175,133,026.20 of the up to $200 million that the United States is obligated to match from blocked Iraqi oil payments, pursuant to United Nations Security Council Resolution 778.

5. The Office of Foreign Assets Control has issued a total of 590 specific licenses regarding transactions pertaining to Iraq or Iraqi assets since August 1990. Licenses have been issued for transactions such as the filing of legal actions against Iraqi governmental entities, legal representation of Iraq, and the exportation to Iraq of donated medicine, medical supplies, food intended for humanitarian relief purposes, the execution of powers of attorney relating to the administration of personal assets and decedents' estates in Iraq, the protection of preexistent intellectual property rights in Iraq and travel to Iraq for the purposes of visiting Americans detained there. Since my last report, 57 specific licenses have been issued.

6. The expenses incurred by the Federal Government in the 6 month period from February 2, 1995, through August 1, 1995, which are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq are reported to be about $4.9 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near Eastern Affairs, the Bureau of International Organization Affairs, the Bureau of Political-Military Affairs, the U.S. Mission to the United Nations, and the Office of the Legal Adviser) and the Department of Transportation (particularly the U.S. Coast Guard).

7. The United States imposed economic sanctions on Iraq in response to Iraq's illegal invasion and occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime has failed to comply fully with United Nations Security Council resolutions. Security Council resolutions on Iraq call for the elimination of Iraqi weapons of mass destruction, Iraqi recognition of Kuwait and the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwaiti assets stolen during Iraq's illegal occupation of Kuwait, renunciation of terrorism, an end to internal Iraqi repression of its own civilian population, and the facilitation of access of international relief organizations to all those in need in all parts of Iraq. More than 5 years after the invasion, a pattern of defiance persists: a refusal to account for missing Kuwaiti detainees; failure to return Kuwaiti property worth millions of dollars, including military equipment that was used by Iraq in its movement of troops to the Kuwaiti border in October 1994; sponsorship f assassinations in Lebanon and in northern Iraq; incomplete declarations to weapons inspectors; and ongoing widespread human rights violations. As a result, the U.N. sanctions remain in place; the United States will continue to enforce those sanctions under domestic authority.

The Baghdad government continues to violate basic human rights of its own citizens through systematic repression of minorities and denial of humanitarian assistance. The Government of Iraq has repeatedly said it will not be bound by United Nations Security Council Resolution 688. For more than 4 years, Baghdad has maintained a blockade of food, medicine, and other humanitarian supplies against northern Iraq. The Iraqi military routinely harasses residents of the north and has attempted to "Arabize" the Kurdish, Turcomen, and Assyrian areas in the north. Iraq has not relented in its artillery attacks against civilian population centers in the south or in its burning and draining operations in the southern marshes, which have forced thousands to flee to neighboring States. In April 1995, the U.N. Security Council adopted resolution 986 authorizing Iraq to export limited quantities of oil (up to $1 billion per quarter) under U.N. supervision in order to finance the purchase of food, medicine, and other humanitarian supplies. The resolution includes arrangements to ensure equitable distribution of such assistance to all the people of Iraq. The resolution also provides for the payment of compensation to victims of Iraqi aggression and for the funding of other U.N. activities with respect to Iraq. Resolution 986 was carefully crafted to address the issues raised by Iraq to justify its refusal to implement similar humanitarian resolutions adopted in 1991 (Resolutions 706 and 712), such as oil export routes and questions of national sovereignty. Nevertheless, Iraq refused to implement this humanitarian measure. This only reinforces our view that Saddam Hussein is unconcerned about the hardships suffered by the Iraqi people.

The policies and actions of the Saddam Hussein regime continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States as well as to regional peace and security. The U.N. resolutions require that the Security Council be assured of Iraq's peaceful intentions in judging its compliance with sanctions. Because of Iraq's failure to comply fully with these resolutions, the United States will continue to apply economic sanctions to deter it from threatening peace and stability in the region.

WILLIAM J. CLINTON

The White House,
August 1, 1995.

Remarks on Education and an Exchange With Reporters
August 3, 1995

The President. Good afternoon. I'm glad to be here today with the Vice President and Secretary Reich, Secretary Riley, Deputy Secretary Kunin, Congressman Owens, Congresswoman Pelosi, and all these distinguished education leaders.

The Secretary of Education is going to present me his draft report on the condition of education today. And since the House is about to vote on the education funding bill, I thought it was appropriate to make a brief statement.

This is a critical time for American education for at least two reasons. First of all, everybody knows that the level of education and skills of our work force will determine their ability to get and keep good jobs and to have a secure future. Secondly, the number of children in our schools is once again rising. Today, one in four Americans is in school. The need for skills development is greater than ever, and the number of people who need it is larger than ever.

I have made a proposal on education which shows that you can balance the budget and fully fund education and training in a way that is good for the economy. It's good for the economy to balance the budget; it's good for the economy to invest in education. And it is what we owe to our young people and to older people who need further education and training to get better jobs.

Our balanced budget actually increases education $41 billion over the next 7 years. The bill being voted on today in the House does exactly the reverse. It dramatically cuts education—$36 billion. It would take 180,000 children off Head Start. It would end funding for Goals 2000, which raises standards and shrinks class size, which is terribly important. It would cut one million children who are poor out of the benefits of the Title I program. It would cut 300,000 low-income students out of Pell grants for college. It would target almost 600,000 unemployed and underemployed adults who won't be able to get job-training programs, mostly in their local community colleges, throughout this country. This is wrong. It is simply wrong.

Before this Congress, education and training have been matters of bipartisan common ground. President Bush often talked about how proud he was of increasing Head Start. This